

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

CITIZENS UTILITY BOARD)

v.)

Docket No. 00-0043

ILLINOIS BELL TELEPHONE CO.)
(AMERITECH, ILLINOIS))

Complaint to stop Ameritech from using)
misleading marketing and advertising)
materials and statements concerning)
Simplifive and CallPack rates.)

CHIEF CLERK'S OFFICE

ILLINOIS
COMMERCE COMMISSION
APR 3 10 28 AM '00

DIRECT TESTIMONY OF JONATHAN GOLDMAN
ON BEHALF OF THE CITIZENS UTILITY BOARD

MARCH 31, 2000

CITIZENS UTILITY BOARD
208 South LaSalle Street
Suite 1760
Chicago, Illinois 60604
Telephone: (312) 263-4282
Fax: (312) 263-4329

CUB Exhibit _____

1 Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

2 A. My name is Jonathan Goldman, and my business address is 208 S. LaSalle Street, Suite
3 1760, Chicago, Illinois 60604.
4

5 Q. WHAT IS YOUR PRESENT OCCUPATION?

6 A. I am the Director of Policy and Governmental Affairs for the Citizens Utility Board
7 ("CUB").
8

9 Q. ON WHOSE BEHALF ARE YOU TESTIFYING?

10 A. I am testifying on behalf of the Citizens Utility Board.
11

12 Q. ARE YOU FAMILIAR WITH THE RESIDENTIAL LOCAL TELEPHONE RATES
13 AND OPTIONAL CALLING PLANS OF AMERITECH-ILLINOIS?

14 A. Yes. I have reviewed Ameritech's basic rates, its CallPack rates and its SimpliFive rates
15 in the course of my duties at CUB.
16

17 Q. HAVE YOU PERFORMED ANY ANALYSES OF CONSUMER'S BILLS TO
18 DETERMINE WHAT RATE OR CALLING PLAN WOULD BE BEST FOR THE
19 CONSUMER?

20 A. Yes. I analyzed the bills of Pam Steigman and Boguslas Walasiak of Chicago, Illinois to
21 determine what rate or calling plan would result in the lowest overall usage cost to them.
22

23 Q. WHY DID YOU ANALYZE THESE PARTICULAR CONSUMERS' BILLS?

24 A. I analyzed the two bills, including the itemization of one month usage, because these
25 consumers responded to a CUB request for information about CallPack and SimpliFive
26 by sending an itemization of the their calling, as well as their bill.
27
28
29

1
2 Q. WHAT WAS INVOLVED IN ANALYZING PAM STEIGMAN'S BILLS?

3 A. Pam Steigman was billed under both CallPack and SimpliFive. Those bills do not
4 include the itemization of call categories found in the basic rate bill. The only
5 information on the CallPack bill was the number of calls, and the only information on the
6 SimpliFive bill was the number of timed and the number of untimed calls. I could not
7 determine from her bills whether she made Band A, B or C calls, and whether these calls
8 were made during peak, shoulder-peak or off-peak hours. This could only be done from
9 an itemization of calls.

10 Ms. Steigman provided me with an itemization of calls for the period Jan. 25 – Feb. 24,
11 2000 which she received from Ameritech. The itemization lists each call made during a
12 billing cycle. It identifies the date and time of the call, and the band to which the call was
13 made. It does not identify the cost of the call, or whether the call was peak, shoulder-peak
14 or off-peak. To determine the cost of the call under basic rates, I had to determine
15 whether the call was peak, shoulder-peak or off-peak because that has a major effect on
16 the cost of the call to the consumer.

17 I had to compare the listed calls to a calendar to determine whether the calls were made
18 on a weekend or holiday and therefore were billed at off-peak rates. I also had to check
19 Ameritech's tariffs to determine which legal holidays are considered off-peak. I then had
20 to check the time of each weekday call against the peak, shoulder-peak and off-peak
21 times. The time of day a call is made is very important to determine the cost under basic
22 rates because a shoulder-peak call costs 90% of the peak rate, and an off-peak call costs
23 60% of the peak rate.

24 Each call had to be individually considered, and then I had to manually add up the
25 number of calls in each calling category (i.e. Band A Peak, etc.) I then placed the
26 aggregate numbers of calls into a spreadsheet I had developed based on the Ameritech bill
27 format. The spreadsheet calculated for me what the costs would have been for Ameritech
28 basic rates, as well as SimpliFive and Callpack 100. This task was laborious and time-
29 consuming.

1
2 Q. HOW LONG DID IT TAKE YOU TO PERFORM THE ANALYSIS?

3 A. Ms. Steigman had made 177 calls during the period I analyzed. It took me approximately
4 two hours to perform the analysis.
5

6 Q. WHAT IS YOUR CONCLUSION ABOUT WHETHER PAM STEIGMAN WOULD
7 HAVE PAID MORE OR LESS UNDER BASIC RATES AS COMPARED TO
8 SIMPLIFIVE OR CALLPACK 100?

9 A. My analysis found that Ms. Steigman would have paid \$13.29 using basic rates for the
10 period Jan. 25 – Feb 24, 2000. Under SimpliFive she should have paid \$17.51, or 31.7
11 percent more than basic rates, and under CallPack 100 she would have paid \$17.70, or
12 33.1 percent more than basic rates. She actually paid \$15.26 under SimpliFive rates
13 because Ameritech miscalculated the volume discount that should have been applied to
14 her bill according to the SimpliFive Tariff. A copy of the analysis is attached as Schedule
15 A.
16

17 Q. IS THERE A WAY FOR PAM STEIGMAN OBTAIN A LOWER BILL?

18 A. Yes. If she took service under basic rates and used a long distance company for local toll,
19 she could preserve the relatively low basic rates while getting a local toll, or Band C rate
20 that is less than the 10 cent per minute rate contained in Ameritech's basic rates.
21

22 Q. WHAT WAS INVOLVED IN ANALYZING BOGUSLAW T. WALASIAK'S BILL?

23 A. Mr. Walasiak was on the CallPack 100 plan. Mr. Walasiak provided CUB with a copy of
24 his bill plus an itemization of calls for the period Feb 1 – Feb. 29, 2000. He received the
25 itemization from Ameritech. The process for analyzing his bill was similar to the process
26 for Ms. Steigman's bill.
27

28 Q. HOW LONG DID IT TAKE YOU TO PERFORM THE ANALYSIS?

29 A. Mr. Walasiak made 66 calls during the period I examined. It took me approximately 40

1 minutes. His was easier to do because he had made fewer calls that had to be examined,
2 but it was still a time-consuming process.
3

4 Q. WHAT IS YOUR CONCLUSION ABOUT WHETHER BOGUSLAW T. WALASIAK
5 WOULD HAVE PAID MORE OR LESS UNDER BASIC RATES AS COMPARED TO
6 CALLPACK 100?

7 A. Mr. Walasiak paid \$10.00 with the CallPack 100 plan, a total more than two and a half
8 times greater than he would have paid with basic rates. My analysis found that Mr.
9 Walasiak would have paid \$3.97 using basic rates for the period Feb 1 – Feb 29, 2000. A
10 copy of the analysis is attached as Schedule B.
11

12 Q. DO YOU HAVE ANY GENERAL CONCLUSIONS BASED ON YOUR REVIEW OF
13 THESE CONSUMERS' BILLS?

14 A. Assuming they are educated consumers and willing to conduct the kind of analysis I
15 describe above, the bills lack the detail necessary to make the necessary calculations. If
16 the consumer asks for an itemization of calls, the necessary information is still not readily
17 available without the cumbersome process of determining whether the call is peak,
18 shoulder-peak or off-peak. Further, a special request must be made for an itemization,
19 and it is only available once every six months without charge.

20 It is clear that Ameritech is not giving consumers the information they need on their bills
21 to make an informed decision about whether they should be on the SimpliFive or
22 CallPack rate. The only way a consumer can make a cost comparison is to compare past
23 usage costs under basic rates with the actual SimpliFive or CallPack usage costs.

24 Unfortunately, with all of the other charges on the bill, and the fact that the usage portion
25 of the bill is only one among many charges, consumers may not have the knowledge to
26 extract the usage portion to compare to past months' usage costs.
27

28 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

29 A. Yes.

APPENDIX A

Analysis of Pamela Steigman's Bill Itemization, Period of January 25 - February 24, 2000

	Standard	SimpliFive	CallPack 100
0-8 Miles			
49 Day	\$2.45	\$2.45	
45 Evening	\$2.03	\$2.25	
66 Night/Wknd	\$1.98	\$3.30	
Over 8 Miles			
2 Initial Minutes - Day	\$0.10	\$0.10	
13 Additional Minutes - Day	\$0.20	\$0.65	
3 Initial Minutes - Evening	\$0.14	\$0.15	
21 Additional Minutes - Evening	\$0.28	\$1.05	
5 Initial Minutes - Night/Wknd	\$0.15	\$0.25	
74 Additional Minutes - Night/Wknd	\$0.67	\$3.70	
Local Toll - Over 15 Miles			
81 Minutes	\$8.10	\$4.05	
Total	\$16.08	\$17.95	
Discount	\$2.79	\$0.44	
Total	\$13.29	\$17.51	\$17.70
Additional Cost		31.7%	33.1%
Average Cost per call	0.0751	0.0989	0.1000

APPENDIX B

Analysis of Boguslaw Walasiak's Bill Itemization, Period of February 1 - February 29, 2000

	Standard	SimpliFive	CallPack 100
0-8 Miles			
24 Day	\$1.20	\$1.20	
8 Evening	\$0.36	\$0.40	
7 Night/Wknd	\$0.21	\$0.35	
Over 8 Miles			
11 Initial Minutes - Day	\$0.55	\$0.55	
40 Additional Minutes - Day	\$0.60	\$2.00	
9 Initial Minutes - Evening	\$0.41	\$0.45	
27 Additional Minutes - Evening	\$0.36	\$1.35	
3 Initial Minutes - Night/Wknd	\$0.09	\$0.15	
4 Additional Minutes - Night/Wknd	\$0.04	\$0.20	
Local Toll - Over 15 Miles			
4 Minutes	\$0.40	\$0.20	
Total	\$4.22	\$6.85	
Discount	\$0.24	\$0.00	
Total	\$3.97	\$6.85	\$10.00
Additional Cost		72.4%	151.7%
Average Cost per call	0.0602	0.1038	0.1515